



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

For Immediate Release:

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Oxley Bill to Ensure Securities Agency has Adequate Emergency Authority

Chairman of the House Financial Services Committee Michael G. Oxley (OH) introduced a bill today to give the Securities and Exchange Commission additional authority and flexibility to respond to emergency situations such as the September 11 terrorist attacks.

"In case of events -- such as the recent attacks -- that cannot be predicted, it's crucial that the SEC is in a position to fully address the needs of the markets," said Oxley. "This legislation will ensure that the Commission has all the necessary tools to maintain the continued liquidity, transparency, and unimpeded operation of our markets."

The Emergency Securities Response Act would allow the Commission to extend emergency orders for up to 30 business days, and in some cases for up to 90 calendar days. Currently, SEC emergency orders are limited to 10 business days.

The bill, H.R. 3060, would also widen the Commission's emergency relief scope to include all federal securities laws. The SEC's ability to grant emergency relief is now limited to one section of securities law. In seeking broader authority the Chairman of the SEC, Harvey L. Pitt, cited a need to provide for increased flexibility to provide appropriate relief in times of emergency.

"I am very pleased to join in introducing this bill to bolster the SEC's emergency authority. As we saw in the days following September 11, the ability of the SEC to take quick emergency action was critical to the smooth reopening of the markets," said Financial Services Committee Ranking Member John J. LaFalce (NY).

In the wake of the attacks the SEC used its emergency powers to ease restrictions, such as company buy-backs of stock and requirements that mutual fund directors conduct board meetings in person, to increase stability and liquidity and aid the functioning of the markets.

The bill is cosponsored by LaFalce, Capital Markets Subcommittee Chairman Richard H. Baker (LA) and the ranking member of the Capital Markets Subcommittee, Paul E. Kanjorski (PA).

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